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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action you should take, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in **Rici Healthcare Holdings Limited**, you should at once hand this circular to the purchaser or the transferee or to the bank manager, licensed securities dealer or registered institution in securities or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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**RICI HEALTHCARE HOLDINGS LIMITED****瑞慈醫療服務控股有限公司***(Incorporated in the Cayman Islands with limited liability)***(Stock Code: 1526)****MAJOR TRANSACTION  
IN RELATION TO DISPOSALS OF  
RICI SHUIXIAN AND RICI RUIJING****Financial advisor to the Company**

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Capitalized terms used on this cover page have the same meaning as defined in the section headed “Definitions” in this circular, unless the context requires otherwise.

A letter from the Board is set out on pages 5 to 27 of this circular.

The Company has obtained an irrevocable and unconditional written approval for the Disposals from Chelsea Grace, the controlling Shareholder holding more than 50% of the issued share capital of the Company, in lieu of holding an extraordinary general meeting of the Company. Accordingly, no general meeting of Shareholders will be convened to approve the Disposals pursuant to Rule 14.44 of the Listing Rules. This circular is being despatched to the Shareholders for information only.

October 25, 2022

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## DEFINITIONS

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*In this circular, unless the context requires otherwise, the following expressions have the following meanings:*

“Board”	the board of Directors
“Chelsea Grace”	Chelsea Grace Holdings Limited (翠慈控股有限公司), a company incorporated in the BVI with limited liability on July 11, 2014, which is entirely owned by Dr. Mei Hong
“Closing Date”	September 7, 2022, the date on which Rici Shuixian and Rici Ruijing completed the registration of the changes on their respective administration of industry and commerce filing in connection with the disposals of 59% and 99% equity interest held by Shanghai Ruikui in Rici Shuixian and Rici Ruijing, to the Purchaser, respectively
“Company”	Rici Healthcare Holdings Limited (瑞慈醫療服務控股有限公司), a company incorporated in the Cayman Islands with limited liability on July 11, 2014 and the shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Disposals”	the disposal transactions contemplated under the Equity Transfer Agreement
“Equity Transfer Agreement”	the equity transfer agreement dated August 18, 2022 entered into by Shanghai Ruikui, the Purchaser and the Guarantors, pursuant to which, Shanghai Ruikui agreed to sell and the Purchaser agreed to purchase (i) the equity interest in Rici Shuixian held by Shanghai Ruikui, representing 60% of the total equity interest in Rici Shuixian, and (ii) the total equity interest in Rici Ruijing, at a total consideration of RMB287.0 million
“Group”	the Company and its subsidiaries

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## DEFINITIONS

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“Guarantors”	Unicorn II Holdings Limited, Beijing Jingbei Women & Children United Family Hospital Co., Ltd. (北京和睦家京北婦兒醫院有限公司), Tianjin United Family Hospital (天津和睦家醫院有限公司) and Qingdao United Family Hospital (青島和睦家醫院有限公司)
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	the third party(ies) independent of the Company and its connected persons (as defined in the Listing Rules)
“Kewan”	Shanghai Kewan Health Consulting Co., Ltd. (上海軻苑健康諮詢有限公司), a company incorporated under the laws of the PRC with limited liability on May 7, 2018 and a minority shareholder of Rici Shuixian prior to the completion of the transaction contemplated under the Kewan Agreement
“Kewan Agreement”	the equity transfer agreement dated August 18, 2022 between Kewan and the Purchaser in connection with the disposal of 40% equity interest in Rici Shuixian by Kewan to the Purchaser
“Latest Practicable Date”	October 19, 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
“OGP”	obstetrics, gynecology and pediatrics
“PRC”	The People’s Republic of China, which expression for the purpose of this circular, except where the context requires otherwise, does not include Hong Kong, the Macau Special Administrative Region and Taiwan

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## DEFINITIONS

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“Purchaser”	Hainan Xinmu Medical Management Co., Ltd. (海南新睦醫療管理有限公司), a company incorporated under the laws of the PRC with limited liability on March 25, 2022 and the purchaser under the Equity Transfer Agreement
“Rici BVI”	Rici Healthcare Holdings Limited, a company incorporated in the British Virgin Islands with limited liability on July 11, 2014, which is a directly wholly-owned subsidiary of the Company and the subscriber under the Share Subscription Agreement
“Rici Ruijing”	Shanghai Rici Ruijing Clinic Co., Ltd. (上海瑞慈瑞靜門診部有限公司), a company incorporated under the laws of the PRC with limited liability on March 11, 2022, an indirectly wholly-owned subsidiary of the Company prior to the completion of the Disposals and a target of the Disposals
“Rici Shuixian”	Rici Shuixian Obstetrics & Gynecology Hospital Co. Ltd. (上海瑞慈水仙婦兒醫院有限公司), a company incorporated under the laws of the PRC with limited liability on October 17, 2016, an indirectly non-wholly-owned subsidiary of the Company prior to the completion of the Disposals and a target of the Disposals
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Ruikui”	Shanghai Ruikui Health Consulting Co., Ltd. (上海瑞魁健康諮詢有限公司), a company incorporated under the laws of the PRC with limited liability on August 25, 2014, an indirectly wholly-owned subsidiary of the Company and the direct holding company of Rici Shuixian and Rici Ruijing prior to the completion of the Disposals
“Shareholder(s)”	shareholder(s) of the Company

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## DEFINITIONS

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“Share Subscription Agreement”	the share subscription agreement entered into on August 18, 2022 among Rici BVI, Unicorn II Holdings Limited and New Frontier Public Holding Ltd. in connection with the subscription of certain shares of Unicorn II Holdings Limited by Rici BVI
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Companies”	Rici Ruijing, Rici Shuixian and the subsidiary of Rici Shuixian
“%”	percent

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LETTER FROM THE BOARD

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**RICI HEALTHCARE HOLDINGS LIMITED**

瑞慈醫療服務控股有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1526)**

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*(Chairman and Chief Executive Officer)*

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Mr. Fang Haoze

Ms. Lin Xiaoying

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October 25, 2022

*To the Shareholders*

Dear Sir or Madam,

**MAJOR TRANSACTION  
IN RELATION TO DISPOSALS OF  
RICI SHUIXIAN AND RICI RUIJING**

**INTRODUCTION**

Reference is made to the announcement of the Company dated August 18, 2022 in relation to the Equity Transfer Agreement and the Disposals. On August 18, 2022 (after trading hours), Shanghai Ruikui, the Purchaser and the Guarantors entered into the Equity Transfer Agreement, pursuant to which, Shanghai Ruikui agreed to sell and the Purchaser agreed to purchase (i) the

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## LETTER FROM THE BOARD

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equity interest in Rici Shuixian held by Shanghai Ruikui, representing 60% of the total equity interest in Rici Shuixian, and (ii) the total equity interest in Rici Ruijing, at a total consideration of RMB287.0 million, subject to adjustments with a mark-up not expected to exceed RMB12.0 million.

The purpose of this circular is to provide you with, among others, the further information on the Equity Transfer Agreement and the Disposals.

### PRINCIPAL TERMS OF EQUITY TRANSFER AGREEMENT

The principal terms of the Equity Transfer Agreement are summarized as below:

- Date:** August 18, 2022
- Parties:**
- i). Shanghai Ruikui, as the vendor;
  - ii). the Purchaser; and
  - iii). the Guarantors.
- Assets to be disposed:**
- i). 60.00% of the equity interest in Rici Shuixian; and
  - ii). 100.00% of the equity interest in Rici Ruijing.



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## LETTER FROM THE BOARD

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**Consideration:**

The consideration payable to Shanghai Ruikui under the Equity Transfer Agreement for the Disposals is RMB287.0 million. The consideration was negotiated on arm's length basis between the Company and the Purchaser with reference to the following factors:

- (i) *Historical performance and future prospects of the Rici Shuixian*

Rici Shuixian has been suffering financial loss since its establishment in 2016 in light of the Group's significant upfront investment and the intensive market competition in Shanghai. According to financial information of Rici Shuixian prepared under the Hong Kong Financial Reporting Standards, Rici Shuixian recorded loss before taxation of RMB57.4 million, RMB20.7 million and RMB60.5 million for 2019, 2020 and 2021, respectively. It is expected that Rici Shuixian would continue to bring financial pressures to the Group if it were continued to be owned and operated by the Group.

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## LETTER FROM THE BOARD

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(ii) *Historical contributions by the Group to Rici Shuixian*

As of July 31, 2022, the Group's cumulative investment cost in Rici Shuixian was RMB218.0 million. The consideration payable to Shanghai Ruikui under the Equity Transfer Agreement of RMB287.0 million (or RMB299.0 million, if the adjustments with a mark-up of RMB12.0 million are made) represents an annual return of 8.3% (or 9.7%, if the adjustments with a mark-up of RMB12.0 million are made) to Shanghai Ruikui upon its cessation of being a shareholder of Rici Shuixian. The weighted average interest rate of the enterprise' loans (企業貸款加權平均利率) in June 2022 was merely 4.16% according to the Report of Execution of China's Currency Policies in the Second Quarter of 2022 (2022年第二季度中國貨幣政策執行報告) issued by the People's Bank of China and thus the returns from the Disposals were higher than the returns which could have been received if the funds were lent in a loan to other enterprises. In addition, the Company's management has reviewed the prospectuses of the companies in medical and healthcare sector in China and whose shares became listed on the Main Board of the Stock Exchange from 2019 to 2022 and identified five pre-IPO investments cases where the annual return rate would range from 5% to 10% if the relevant financial investors exited on August 31, 2022. As such public companies are all major players in China's medical and healthcare sector and the relevant financial investors are reputable professional investment funds whose investments are made with a view to receiving financial returns, the Directors consider such comparable cases are fair and representative and reflect, to a degree, the overall level of financial returns for the private equity investment in the medical and healthcare industry in China. Having reviewed the disclosure of such public companies in medical and healthcare sector in China on the pre-IPO investments they received, the Company's management was given to the understanding that it is not uncommon to have an annual return rate ranging from 5% to 10% for the private equity investment in the medical and healthcare industry in China for 2019 to 2022. Having considered the above, the Directors are of the view that such financial return received from the Disposals is fair and reasonable.

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## LETTER FROM THE BOARD

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*(iii) Valuation of Rici Shuixian and cash inflow as a result of the Disposals*

The consideration, representing the valuation of Rici Shuixian of approximately RMB498.0 million, was in line with fair market valuation using price-to-sales ratio comparable to the industry peer of Rici Shuixian. For example, according to Bloomberg and National Business Daily, in an acquisition transaction closed in August 2022, ByteDance's healthcare unit acquired Amcare Healthcare (a high-end healthcare organization with a focus on the provision of OGP healthcare services and holding seven OGP hospitals, four maternity care centers and three general outpatient departments in the first-tier cities) with a price-to-sales ratio of approximately 5x (arriving at using the consideration of around US\$1.5 billion divided by the revenue of approximately RMB2.0 billion in 2020). The Directors consider ByteDance's acquisition of Amcare Healthcare as a fair and representative comparable case for the following reasons: (i) Same principal business and target customers. Both of Amcare Healthcare and Rici Shuixian are principally engaged in the provision of premium OGP healthcare services to high-value customers by way of operating the OGP hospital and the maternity care center. (ii) Similar geographic market. Rici Shuixian and its maternity center locate in Shanghai, while Amcare Healthcare's OGP hospitals and maternity care centers are also based in the first-tier cities in China (including Beijing, Shenzhen, Tianjin and Hangzhou). (iii) ByteDance's acquisition of Amcare Healthcare was closed in August 2022 and thus it was the most recent sizable and benchmarked acquisition case in China's OGP healthcare industry known to the Company's management prior to the Disposals. Therefore, the price-to-sales ratio under the Disposals of 6.4x (arriving at using the valuation of approximately RMB498.0 million divided by the revenue of approximately RMB78.01 million in 2021) is comparable to that under ByteDance's acquisition of Amcare Healthcare.

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## LETTER FROM THE BOARD

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The Company also considered that the cash inflow as a result of the Disposals would enable the Group to increase its working capital and therefore improve its liquidity and strengthen its overall financial position. Please refer to the sections headed “Reasons and Benefits for the Disposals” and “Financial Effect and Use of Proceeds” of this circular for more details.

- (iv) *Fact that Rici Ruijing has had no substantial operation and recorded nil revenue or assets since its incorporation*

The consideration for the total equity interest in Rici Ruijing is merely nominal as a part of the total consideration of RMB299 million due to the fact that Rici Ruijing has not yet commenced operation or recorded any revenue.

The consideration is subject to adjustments, with a mark-up not expected to exceed RMB12.0 million, being the aggregate of (i) 50% of the working capital contributed by Shanghai Ruikui to Rici Shuixian from March 1, 2022 to June 30, 2022, which shall not exceed RMB1.5 million per month, and (ii) the entire working capital contributed by Shanghai Ruikui to Rici Shuixian from July 1, 2022 to the Closing Date, deducted by (i) the shortfall between the negative amount of RMB15,468,533.61 and the actual working capital of Rici Shuixian at the Closing Date, if such amount falls below the negative amount of RMB15,468,533.61 at the Closing Date, and (ii) the historical obligations and liabilities unless as otherwise agreed in the Equity Transfer Agreement.

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## LETTER FROM THE BOARD

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**Payment, conditions precedent  
and closing:**

The consideration for the Disposals will be paid in four installments:

*First installment*

The first installment being RMB137.0 million shall be paid in three tranche payments and the amount of each tranche payment shall be one-third of RMB137.0 million. Subject to the last installment under the Kewan Agreement having been made and the conditions precedent as further elaborated below, one tranche payment of such first installment under the Equity Transfer Agreement shall be made each time after Rici BVI, as the subscriber under the Share Subscription Agreement, has shown the sufficient fund available for payment of a second, third or fourth installment under the Share Subscription Agreement, which was entered into on the same date of the Equity Transfer Agreement. The total consideration under the Share Subscription Agreement shall be paid in four installments within six months after the date of the Share Subscription Agreement or such later date as agreed in writing by Unicorn II Holdings Limited and Rici BVI, and there be a sequence of four subscription closings under the Share Subscription Agreement. The first subscription closing shall take place following the last installment under the Kewan Agreement while the second, third and fourth subscription closing shall take place following the first, second and third onshore tranche payment under the Equity Transfer Agreement, respectively. The payment terms of the Disposals and the transaction under the Share Subscription Agreement are related to each other, as the parties consider it to be the best way to secure timely settlements of installments under the Equity Transfer Agreement and the Share Subscription Agreement, respectively, after arm's length negotiations.

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## LETTER FROM THE BOARD

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The first installment shall be subject to the following conditions precedents:

- i). each of Shanghai Ruikui, Rici Shuixian and the Company having obtained all necessary approvals and consents from their respective competent decision-making bodies in respect of the Equity Transfer Agreement and the Disposals;
- ii). Rici Shuixian and Rici Ruijing having completed the registration of the changes on their respective administration of industry and commerce filing in connection with the disposals of 59% and 99% equity interest held by Shanghai Ruikui in Rici Shuixian and Rici Ruijing, respectively;
- iii). Shanghai Ruikui having delivered to the Purchaser all the properties and materials of the Target Companies and the handover list of the delivery items having been duly signed;
- iv). no outstanding receivable from or payable to the related parties, directors, supervisors, shareholders, senior management or staff, save for what has been disclosed to and agreed by the Purchaser;
- v). the representations and warranties under the Equity Transfer Agreement remaining true, accurate and complete from the date of the Equity Transfer Agreement to the Closing Date, and Shanghai Ruikui and the Target Companies having not violated the obligations or undertakings under the Equity Transfer Agreement on or before the Closing Date;

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## LETTER FROM THE BOARD

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- vi). no law in force or any agreement, contract or legal document that prohibits or restricts the completion of the Disposals (except where relevant exemptions for the transaction have been obtained), or has a material adverse effect on the ownership, operation or control of the main business and related assets of the Target Companies as of the Closing Date;
- vii). no substantial change of the Target Companies and their equity, nor have there been any events or facts that could have caused such substantial changes as of the Closing Date. Substantial change refers to the change having material adverse effects on the business operation, the financial position, the equity and the value of main assets of the Target Companies;
- viii). no litigation, arbitration, administrative penalty or investigation or other disputes involving the parties that may affect the legality of the Disposals, or have a material adverse impact on the operation or operational environment of the Target Companies as of the Closing Date; and
- ix). Shanghai Ruikui having issued the written notice to the Purchaser confirming on the satisfaction of the conditions precedent.

As of the Latest Practicable Date, all of the above conditions precedent had been satisfied and the first installment had been fully settled.

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## LETTER FROM THE BOARD

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### *Second installment*

On the condition that the Company receiving no comment confirmation from the Stock Exchange on the Company's circular in connection with the Disposals, the second installment being one-third of the remaining consideration after the first installment (having been adjusted as further elaborated above) shall be paid on March 31, 2023 or the date as the parties otherwise agree. As of the date of this circular, such condition precedent had been satisfied and the second installment is expected to be settled on or around March 31, 2023.

### *Third installment*

The third installment being one-third of the remaining consideration after the first installment (having been adjusted as further elaborated above) shall be paid on, or before as requested by the Purchaser, the second anniversary of the Closing Date (which is expected to be September 7, 2024) or the date as the parties otherwise agreed.

### *Fourth installment*

The fourth installment being one-third of the remaining consideration after the first installment (having been adjusted as further elaborated above) shall be paid on, or before as requested by the Purchaser, the third anniversary of the Closing Date (which is expected to be September 7, 2025) or the date as the parties otherwise agreed.

In the event where there is any successful listing of the shares of Unicorn II Holdings Limited on a qualified stock exchange prior to any of the second, third and fourth installments, the Purchaser shall make a one-off payment for the then entire remaining consideration (having been adjusted as further elaborated above) within 15 business days after such listing.



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## LETTER FROM THE BOARD

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The purpose of having the consideration under the Equity Transfer Agreement to be paid in four installments and up to three years after the Closing Date is to ensure that the settlement would not negatively affect the liquidity of the United Family Healthcare. Upon the completion of the Subscription, the Company will become one of the shareholders of Unicorn II Holdings Limited, an indirect holding company of New Frontier Health Corporation, which in turn owns and operates the United Family Healthcare. Such arrangement was determined after negotiations among the parties on arm's length basis and the Company believes ensuring that the United Family Healthcare would have sufficient funds to support its normal business operation and expansion is in the interest of the Company (as a shareholder and financial investor of Unicorn II Holdings Limited expecting to receive financial returns) and also its Shareholders. Based on the principle of reciprocity and for a similar liquidity reason, the parties agreed that the consideration under the Share Subscription Agreement would also be paid in installments. The payment terms of the Disposals and the Subscription are related to each other, as the parties consider it to be the best way to secure timely settlements of installments under the Equity Transfer Agreement and the Share Subscription Agreement, respectively, after arm's length negotiations.

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## LETTER FROM THE BOARD

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Furthermore, the settlement of the consideration payable under the Kewan Agreement is ahead of the first installment under the Equity Transfer Agreement, as Shanghai Ruikui is the controlling shareholder and operator of Rici Shuixian prior to the Disposals, which has been responsible for the overall management of Rici Shuixian since its establishment and shall be responsible for the substantive and time-consuming handover work in relation to the disposal of Rici Shuixian, such as change of shareholder registration, change of seals and authorization, handover of physical assets and original copies of documents, change of approval process, and switch of information systems. In contrast, as only a passive financial investor and minority shareholder of Rici Shuixian, Kewan is not required to deal with the substantive handover work or spend substantial time on any transfer work. By making the first installment under the Equity Transfer Agreement conditional on the payment of the Kewan Agreement, the Purchaser intends to secure the acquisition of minority interest in Rici Shuixian from Kewan while retaining ability to put check and balance on the Group to duly complete the substantive and time-consuming handover work.

In light of the above, the Directors are of the view that the payment terms of the Disposals and the Subscription are commercially fair and reasonable.

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## LETTER FROM THE BOARD

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The parties agreed that Rici Shuixian and Rici Ruijing will complete the registration of the changes on their respective administration of industry and commerce filing in connection with the disposals of 59% and 99% equity interest held by Shanghai Ruikui in Rici Shuixian and Rici Ruijing, respectively, prior to the first installment, and the Closing Date refers to the date on which such registration of the changes on administration of industry and commerce filing is completed. The registration of the changes on the respective administration of industry and commerce filing in connection with the disposals of the remaining 1% equity interest held by Shanghai Ruikui in each of Rici Shuixian and Rici Ruijing will be completed by March 31, 2023. Where the registration of the changes on the administration of industry and commerce filing in connection with the disposals of the targeted equity interest is completed, the title on the targeted equity interest and the shareholder's rights attached to the targeted equity interest will be duly transferred to the Purchaser.

**Guarantee:**

The Guarantors jointly and severally undertakes to be jointly and severally liable for the payment obligations of the Purchaser for the second to fourth installments. For each of such installments, the guarantee period is three years starting from the date where the payment obligation under such installment is accrued. Under the Civil Code of the People's Republic of China (the "Civil Code"), if the parties agree in the guarantee contract that the guarantor and the debtor shall bear joint and several liability for the debt, it shall be a joint and several liability guarantee. When the debtor of the liability guarantee fails to perform the due debt or the circumstances agreed upon by the parties occur, the creditor may request the debtor to perform the debt, or request the guarantor to assume the guarantee responsibility within the scope of its guarantee. If there are two or more guarantors for the same debt, the guarantor shall bear the guarantee liability in accordance with the guarantee share agreed in the guarantee contract; if there is no agreed guaranty share, the creditor may request any guarantor to assume the guarantee responsibility within the scope of its guarantee.

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## LETTER FROM THE BOARD

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In light of the above legal provisions, when the Purchaser defaults the payment, the Group can simultaneously claim the payment obligations corresponding to all liabilities for the breach to the Purchaser and the Guarantors, at the discretion of the Group. In general, the Group may choose to file a claim against all of the above responsible parties to ensure that the outstanding consideration will be settled. The Guarantors include three reputable domestic hospitals with substantial operation and assets in China and financially capable of acting as the Guarantors and one offshore holding company. The parties have also agreed after the completion of the registration of the changes on the administration of industry and commerce filing in connection with the disposal of 59% equity interest held by Shanghai Ruikui in Rici Shuixian to the Purchaser, Rici Shuixian will provide guarantee to the Group and undertake to be jointly and severally liable for the payment obligations of the Purchaser for the rest of installments.

In addition, according to the Civil Code, since there is no other agreement on the scope of the guarantee in the Equity Transfer Agreement, the Group can claim all the payment obligations for breach of contract from the Purchaser and the Guarantors, including the outstanding consideration and respective interests thereof, liquidated damages, damages and the cost of realizing the creditor's claim, when the Purchaser defaults the payment.

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## LETTER FROM THE BOARD

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The Directors believe that the Purchaser, as owner of the Rici Shuixian and Rici Ruijing assets following the Disposals, would have sufficient assets to meet the payment obligations of the second to fourth installments. Furthermore, the Guarantors, which include Unicorn II Holdings Limited (the holding company of United Family Healthcare) and three of its subsidiaries incorporated in the PRC, all have substantial operations and assets to back up their guarantees, among which the net cash inflow from operating activities of New Frontier Health Corporation for 2021 was RMB341.8 million and its net assets as at December 31, 2021 was RMB6,968.1 million. All of the PRC-incorporated guarantors are owners of reputable hospital assets across China, of which the aggregate net cash inflow from operating activities of Qingdao United Family Hospital Co., Ltd. and Tianjin United Family Hospital Co., Ltd. for 2021 were more than RMB40.0 million. Beijing United Family Jingbei Women and Children Hospital Co., Ltd. is located in city center of Beijing and just commenced operation in the mid-year of 2021, which had a revenue of more than RMB40.0 million for the period from June 2021 to December 2021.

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## LETTER FROM THE BOARD

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The Directors are of the view that the guarantee period of three years from each installment payment obligation date is fair and reasonable, and in the interest of Shareholders as a whole, for the following reasons:

- (i) The guarantee period of three years from each installment payment obligation date is longer than the six months stipulated in the Civil Code, which enhances the protection of the contractual rights and interests for the Group. According to the Civil Code, if there is no agreement on the exact period of guarantee or the agreement is unclear, the guarantee period shall be six months from the date when the principal debt performance period expires.
- (ii) When determining the guarantee period of three years, the parties referred to the statute of limitations for civil acts under the Civil Code, which is three years. To their best knowledge after making reasonable enquiries, the parties consider such arrangement is in line with the market practice.

**Termination:**

The Equity Transfer Agreement may be terminated,

- i). if the parties to the Equity Transfer Agreement reach a written consensus;

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## LETTER FROM THE BOARD

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- ii). by the Purchaser and before the Closing Date, when any of the following circumstances occurs, unless otherwise stipulated in the Equity Transfer Agreement:
- a) either Rici Shuixian or Rici Ruijing has not completed the registration of the changes on their respective administration of industry and commerce filing in connection with the disposals of 59% and 99% equity interest held by Shanghai Ruikui in Rici Shuixian and Rici Ruijing within two months (inclusive) after the date of the Equity Transfer Agreement, except that such situation is not caused by the Purchaser or as a result of force majeure or pandemic;
  - b) the representations and warranties of Rici Shuixian, Rici Ruijing or Shanghai Ruikui under the Equity Transfer Agreement are seriously false or untrue (for avoidance of doubt, including omissions);
  - c) Rici Shuixian, Rici Ruijing or Shanghai Ruikui materially violate the Equity Transfer Agreement and fail to make a remedy to the Purchaser's reasonable satisfaction after 15 days of written notice from the Purchaser;
  - d) any of Shanghai Ruikui or the Target Companies enter into any voluntary or compulsory bankruptcy proceedings (unless such proceedings are withdrawn within thirty days of commencement), or is declared bankrupt or liquidated by a court or other governmental authority.

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## LETTER FROM THE BOARD

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- iii). by Shanghai Ruikui where it has fulfilled its obligations under the Equity Transfer Agreement, and the conditions precedent have been satisfied, whereas the Purchaser fails to make payment which is overdue for more than 30 days (unless the overdue is not caused by the Purchaser); and
- iv). by either party if the Kewan Agreement is terminated.

**Default of the payments:**

The Group has sufficient measures in place to protect its shareholders' interest in the event of a default of the payments.

If there is any delay on payment, the Purchaser shall pay Shanghai Ruikui overdue interest at the rate of 0.025% per day on the outstanding consideration for each day of overdue payment by the Purchaser until the Purchaser make full payments to Shanghai Ruikui. And if the Purchaser defaults, Shanghai Ruikui can claim direct or indirect losses (including but not limited to interest paid or lost due to default and attorney fees) against the Purchaser.

If the Purchaser breaches the Equity Transfer Agreement, the Group may initiate arbitration to the Shanghai International Economic and Trade Arbitration Commission (Shanghai International Arbitration Center) and may apply for property preservation against the arbitration respondents (including the Purchaser and the Guarantors).



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## LETTER FROM THE BOARD

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### INFORMATION OF RICI SHUIXIAN AND RICI RUIJING

#### Rici Shuixian

Located in Shanghai, Rici Shuixian is one of the Group's OGP specialty hospitals with an aim to providing medical services to high-net-worth individuals in Yangtze River Delta region. As at the date of this circular, Rici Shuixian was owned as to 60.00% by Shanghai Ruikui and 40.00% by Kewan, which was wholly owned by HU Di (胡迪), an Independent Third Party (except for the equity interest held by Kewan in Rici Shuixian). Kewan is principally engaged in providing nutrition and health consulting services and research and development of medical technology.

The table below shows certain financial information of Rici Shuixian under the Hong Kong Financial Reporting Standards. The major assets of Rici Shuixian as at December 31, 2021 included right-of-use assets from the lease of its operation premises of RMB189.3 million, deferred tax assets of RMB46.9 million, property and equipment of RMB53.2 million, cash and cash equivalents of RMB14.1 million and other receivables of RMB12.3 million.

	For the year ended		As at
	December 31,		December 31,
	2020	2021	2021
	RMB'000	RMB'000	RMB'000
	(audited)	(audited)	(audited)
Net assets	—	—	26,667
Total assets	—	—	327,656
Loss before taxation	20,681	60,522	—
Loss after taxation	23,765	45,805	—

#### Rici Ruijing

Rici Ruijing is a general outpatient department and was incorporated on March 11, 2022. As at the date of this circular, Rici Ruijing was wholly owned by Shanghai Ruikui. Rici Ruijing has had no substantial operation and recorded nil revenue, profit, total assets or net assets since its incorporation, because soon after the incorporation of Rici Ruijing the Group came into contact and started to negotiate with the Purchaser on the Disposals and Rici Ruijing had not opened any bank account or received any investment from the Group prior to the Disposals.

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## LETTER FROM THE BOARD

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### INFORMATION RELATING TO THE COMPANY, SHANGHAI RUIKUI, THE PURCHASER AND THE GUARANTORS

#### The Company

The Company was incorporated under the laws of Cayman Islands on July 11, 2014 as an exempted company with limited liability. The principal activity of the Company is investment holding. The Group is principally engaged in the operation of general hospital, specialty hospital, medical examination centers and clinics in the PRC.

#### Shanghai Ruikui

Shanghai Ruikui is a company incorporated under the laws of the PRC with limited liability on August 25, 2014 and an indirectly wholly-owned subsidiary of the Company. The principal activity of Shanghai Ruikui is investment holding.

#### The Purchaser

The Purchaser is a company incorporated under the laws of the PRC with limited liability on March 25, 2022 and is owned as to 70% by Hainan Qinmu Medical Management Co., Ltd. (海南沁睦醫療管理有限公司) and as to 30% by Shanghai Yuanmu Enterprise Management Co., Ltd. (上海元睦企業管理有限公司). Hainan Qinmu Medical Management Co., Ltd. is wholly owned by Hainan New Frontier United Family Healthcare Management Co., Ltd. (海南新風和睦家醫療管理有限公司), which is in turn wholly owned by United Family Healthcare Limited (和睦家醫療有限公司). Shanghai Yuanmu Enterprise Management Co., Ltd. is owned as to 99% by Chen Yue and as to 1% by Wang Shuo. The Purchaser is a member of United Family Healthcare, a leading private healthcare provider offering comprehensive premium healthcare services in China. The United Family Healthcare platform consists of a network of nine private hospitals and affiliated clinic network. United Family Healthcare is owned and operated by New Frontier Health Corporation, a wholly owned subsidiary of Unicorn II Parent Limited. Unicorn II Parent Limited is a holding company incorporated under the laws of Cayman Islands and a wholly-owned subsidiary of Unicorn II Holdings Limited.

#### The Guarantors

Unicorn II Holdings Limited is a company incorporated under the laws of Cayman Islands and is ultimately controlled by Mr. Kam Chung Leung (梁錦松) and Mr. Carl Wu (吳啟楠). Both Unicorn II Parent Limited and Unicorn II Holdings Limited are holdings vehicles of New Frontier Health Corporation.

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## LETTER FROM THE BOARD

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Beijing Jingbei Women & Children United Family Hospital Co., Ltd. (北京和睦家京北婦兒醫院有限公司) is a company incorporated under the laws of the PRC with limited liability on March 28, 2018 and is an indirectly wholly-owned subsidiary of New Frontier Health Corporation. It is a specialty hospital focusing on obstetrician gynecologist, pediatric, reproductive and other specialties in Beijing.

Tianjin United Family Hospital (天津和睦家醫院有限公司) is a company incorporated under the laws of the PRC with limited liability on December 16, 2010 and is an indirectly wholly-owned subsidiary of New Frontier Health Corporation. It is principally engaged in providing comprehensive healthcare services in Tianjin.

Qingdao United Family Hospital (青島和睦家醫院有限公司) is a company incorporated under the laws of the PRC with limited liability on December 24, 2013 and is an indirectly wholly-owned subsidiary of New Frontier Health Corporation. It is principally engaged in providing comprehensive healthcare services in Qingdao.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as of the date of this circular, each of the Purchaser, the Guarantors and their ultimate beneficial owners was an Independent Third Party.

### REASONS AND BENEFITS FOR THE DISPOSALS

Rici Shuixian is one of the loss-making OGP specialty hospitals under the Group's OGP specialty hospital business. In light of the historical financial performance of Rici Shuixian, the Directors consider that the disposal of Rici Shuixian offers an opportunity for the Group to optimize its financial performance and better utilize its resources with a focus on the development of the Group's other business. The disposal of Rici Shuixian will enable the Group to increase its working capital and therefore improve its liquidity and strengthen its overall financial position.

Rici Ruijing is a recently-established general outpatient department located at the same location as Rici Shuixian. The original intention of the Group to set up Rici Ruijing was to enable it to come into a synergistic effect with Rici Shuixian in acquiring customers and providing comprehensive healthcare services. Given the Group's recent change of its business strategy, the disposal of Rici Shuixian and that Rici Ruijing has not yet commenced operation, the Directors consider that it would be in the Company's best interest to dispose of Rici Ruijing along with Rici Shuixian.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Equity Transfer Agreement and the Disposals are fair and reasonable, on normal commercial terms and in the interest of the Company and the Shareholders as a whole.

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## LETTER FROM THE BOARD

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### FINANCIAL EFFECT AND USE OF PROCEEDS

The Disposals will generate a total cash inflow to the Group of RMB287.0 million and the Company estimates that it will recognize a total unaudited gain from the Disposals of RMB219.9 million, being the amount equal to the consideration receivable by Shanghai Ruikui in connection with the Disposals partially offset by the net assets value of Rici Shuixian attributable to Shanghai Ruikui as of July 31, 2022 of RMB67.1 million. Based on the audited financial information as of December 31, 2021, the Group's total assets will be decreased by RMB327.6 million and its total liabilities will be decreased by RMB301.0 million. The above figure is for illustrative purpose only. The actual amount of gain or loss on the Disposals to be recognized in the consolidated financial statements of the Group will be based on the carrying value of the net assets value of Rici Shuixian as of the Closing Date and therefore may vary from the amount mentioned above.

Upon completion of the Disposals, Shanghai Ruikui will cease to have any equity interest in Rici Shuixian and Rici Ruijing, and thus Rici Shuixian and Rici Ruijing will cease to be the subsidiaries of the Company and the financial results of Rici Shuixian and Rici Ruijing will no longer be consolidated into the consolidated financial statements of the Group.

The Company intends to apply the net proceeds from the Disposals as general working capital and capital expenditure to finance the business operation and activities of the Group's medical examination business and general hospital business, and thus the Disposals will improve the financial performance and financial position for such business segments of the Group. Specifically, with respect to the Group's medical examination business, it is expected that around 50% to 60% of the net proceeds will be utilized as the working capital to support the daily operations of the Group's medical examination centers and as the capital expenditure for the expansion of the Group's new medical examination centers; and with respect to the Group's general hospital business, it is expected that around 40% to 50% of the net proceeds will be utilized as the working capital to support the operations of Nantong Rich Hospital Co., Ltd. (南通瑞慈醫院有限公司), and as the capital expenditure to finance its second-phase expansion project. Such net proceeds will not be used in the share subscription under the Share Subscription Agreement.

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## LETTER FROM THE BOARD

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### IMPLICATION OF THE LISTING RULES

As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the Disposals, when aggregated, is more than 25% but all of the applicable percentage ratios are less than 75%, the Disposals, when considered as a whole, constitute a major transaction for the Company under Chapter 14 of the Listing Rules and are subject to the announcement, circular, and shareholders' approval requirements under Chapter 14 of the Listing Rules. Since (i) so far as the Company is aware after making reasonable enquiries, no Shareholder has a material interest in the Disposals and is required to abstain from voting on the resolutions at an extraordinary general meeting if it were convened to approve the Equity Transfer Agreement and the Disposals; and (ii) in lieu of holding an extraordinary general meeting, the Company, on August 18, 2022, received an irrevocable and unconditional written approval on the Equity Transfer Agreement and the Disposals from Chelsea Grace Holdings Limited (翠慈控股有限公司), the Company's controlling shareholder which held 872,550,000 Shares (representing approximately 54.87% of the issued capital of the Company as at the date of this circular), no extraordinary general meeting is required to be convened for the approval of the Disposals pursuant to Rule 14.44 of the Listing Rules.

### RECOMMENDATIONS

The Directors (including the independent non-executive Directors) are of the view that the terms of the Equity Transfer Agreements and the Disposals are fair and reasonable, on normal commercial terms and in the interest of the Company and the Shareholders as a whole.

### GENERAL

Your attention is drawn to the additional information set out in the appendices to this circular.

Yours faithfully

By Order of the Board

**Rici Healthcare Holdings Limited**

**Fang Yixin**

*Chairman and Chief Executive Officer*

## 1. CONSOLIDATED FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for each of the three years ended December 31, 2019, 2020 and 2021 and the six months ended June 30, 2022 is disclosed in the following documents which have been published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.rich-healthcare.com](http://www.rich-healthcare.com)) respectively:

- Annual Report 2021 (pages 93 to 188), details of which can be referred to at <https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0428/2022042803765.pdf>
- Annual Report 2020 (pages 95 to 190), details of which can be referred to at <https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0429/2021042900013.pdf>
- Annual Report 2019 (pages 99 to 196), details of which can be referred to at <https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0427/2020042700003.pdf>
- Interim Report for the six months ended June 30, 2022 (pages 29 to 74), details of which can be referred to at <https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0926/2022092600305.pdf>.

## 2. STATEMENT OF INDEBTEDNESS

As at the close of business on August 31, 2022, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had (i) outstanding secured bank borrowings of RMB1,046.0 million, (ii) outstanding secured finance lease of RMB43.2 million, (iii) property assets with a total carrying amount of approximately RMB142.9 million and land use rights with a total carrying amount of RMB2.9 million and restricted deposits with an amount of RMB167.5 million pledged for bank borrowings, and (iv) equipment assets with a net book value of RMB65.3 million mortgaged for finance lease.

Save as aforesaid and apart from intra-group liabilities, at the close of business on August 31, 2022, the Group had no other outstanding mortgages, charges, debentures or other loan capital or bank overdrafts or loans or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptance or acceptance credits, debt securities, guarantees or other material contingent liabilities.

**3. WORKING CAPITAL**

Taking into account the Disposals, the capital requirement and the presently available financial resources of the Group, including internally generated funds from operation of the Group, the existing available facilities, the Directors, after due and careful enquiry, are of the opinion that the Group has sufficient working capital for its present requirements, that is for at least 12 months from the date of publication of this circular.

**4. MATERIAL ADVERSE CHANGE**

The Directors are not aware of any material adverse change in the financial or trading position of the Group since December 31, 2021, being the date to which the latest published audited financial statements of the Group were made up.

**5. FINANCIAL AND TRADING PROSPECTS**

Following the completion of the Disposals, the Group will cease to operate Rici Shuixian which is one of the loss-making OGP specialty hospitals under the Group's OGP specialty hospital business. Given Rici Shuixian was loss-making in the recent financial years, the financial position of the Group is expected to improve following the Disposals.

Looking forward, the Group will continue to utilize its available resources to develop our other promising business segments, namely, the medical examination business and the general hospital business. Apart from this, the Group will also explore business opportunities to strengthen its revenue base, such as developing the departments with unique strength in our general hospital business and optimizing the business structure.

**1. RESPONSIBILITY STATEMENT**

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respect and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

**2. DISCLOSURE OF INTERESTS****Interests of Directors and chief executive**

As at the Latest Practicable Date, the interests and short positions of the Directors or the chief executive of the Company in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered into the register referred to therein; or (iii) are otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules were as follows:

**(A) Long/short position in ordinary shares of the Company**

<b>Name of Director</b>	<b>Long/Short Position</b>	<b>Capacity/Nature of Interest</b>	<b>Number of ordinary Shares interested <sup>(1)</sup></b>	<b>Approximate percentage<sup>+</sup> of the Company's issued share capital</b>
Dr. Mei <sup>(2)</sup>	Long position	Interest in controlled corporation	872,550,000(L)	54.87%
Dr. Fang <sup>(3)</sup>	Long position	Interest of spouse	872,550,000(L)	54.87%



*(B) Long position in underlying Shares — physically settled unlisted equity derivatives*

Name of Director	Capacity/Nature of Interest	Number of underlying Shares in respect of the share options granted <sup>(1)</sup>	Approximate percentage <sup>+</sup> of the Company's issued share capital
Dr. Mei <sup>(2)</sup>	Beneficial owner; Interest of spouse	31,807,000 (L)	2.00%
Dr. Fang <sup>(3)</sup>	Beneficial owner; Interest of spouse	31,807,000 (L)	2.00%

*Notes:*

- (1) The letter “L” denotes the person’s long position in the Shares and the letter “S” denotes the person’s short position in the Shares.
- (2) Chelsea Grace was beneficially interested in the 872,550,000 Shares as at June 30, 2022. Under the SFO, Dr. Mei is deemed to be interested in all the Shares held by Chelsea Grace by reason of her 100% interest in its issued share capital and is also deemed to be interested in all the interests held by Dr. Fang as she is the wife of Dr. Fang who is granted an option to subscribe for 15,903,500 Shares under the Pre-IPO Share Option Scheme. Dr. Mei is granted an option to subscribe for 15,903,500 Shares under the Pre-IPO Share Option Scheme.
- (3) Dr. Fang is the husband of Dr. Mei. Therefore, Dr. Fang is deemed to be interested in Dr. Mei’s interests in our Company. Dr. Fang is granted an option to subscribe for 15,903,500 Shares under the Pre-IPO Share Option Scheme.
- + The percentage represents the number of ordinary Shares/underlying Shares interested divided by the number of the Company’s issued Shares as at the Latest Practicable Date.

*(C) Interest in associated corporation*

<b>Name of Director</b>	<b>Associated Corporation</b>	<b>Capacity/nature of interest</b>	<b>Number of Shares<sup>(1)</sup></b>	<b>Percentage of shareholding interest</b>
Dr. Mei <sup>(1)</sup>	Chelsea Grace <sup>(2)</sup>	Beneficial owner	1	100%
Dr. Fang <sup>(1)</sup>	Chelsea Grace <sup>(2)</sup>	Interest of spouse	1	100%

*Notes:*

- (1) Dr. Fang is the husband of Dr. Mei. Therefore, under the SFO, Dr. Fang is deemed to be interested in Dr. Mei's interests in Chelsea Grace.
- (2) Under the SFO, a holding company of the listed corporation is regarded as an "associated corporation." As at the Latest Practicable Date, Chelsea Grace held 54.87% of the issued share capital of the Company and thus was an associated corporation of the Company.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) are otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules.

**Substantial Shareholders**

As at the Latest Practicable Date, according to the register kept by the Company pursuant to section 336 of the SFO, and so far as is known to the Directors, the following persons (other than a Director or a chief executive of the Company) had an interest or short position in the Shares or underlying shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name	Capacity	Number of ordinary Shares interested <sup>(1)</sup>	Approximate percentage <sup>+</sup> of the Company's issued share capital
Chelsea Grace	Beneficial owner	872,550,000(L)	54.87%
Renaissance Healthcare Holdings Limited (“ <b>Baring Investor</b> ”)	Beneficial owner	268,286,800(L)	16.87%
The Baring Asia Private Equity Fund V, L.P. <sup>(2)</sup>	Interest of a controlled corporation	268,286,800(L)	16.87%
Baring Private Equity Asia GP V, L.P. <sup>(2)</sup>	Interest of a controlled corporation	268,286,800(L)	16.87%
Baring Private Equity Asia GP V Limited <sup>(2)</sup>	Interest of a controlled corporation	268,286,800(L)	16.87%
Jean Eric Salata <sup>(2)</sup>	Interest of a controlled corporation	268,286,800(L)	16.87%
BPEA EQT Holdings AB <sup>(2)</sup>	Interest of a controlled corporation	268,286,800 (L)	16.87%
EQT AB <sup>(2)</sup>	Interest of a controlled corporation	268,286,800 (L)	16.87%

*Notes:*

- (1) The letter “L” denotes the person’s long position in the Shares and the letter “S” denotes the person’s short position in the Shares.

- (2) Baring Investor is held as to 99.35% by The Baring Asia Private Equity Fund V, L.P. Baring Private Equity Asia GP V, L.P. is the general partner of The Baring Asia Private Equity Fund V, L.P. Jean Eric Salata is the sole shareholder of Baring Private Equity Asia GP V Limited (the general partner of Baring Private Equity Asia GP V, L.P.). Jean Eric Salata disclaims beneficial ownership of such Shares, except to the extent of his economic interest in such entities.

On March 16, 2022, EQT AB entered into a securities purchase and merger agreement with Baring Private Equity Asia to acquire, inter alia, 100% of Baring Private Equity Asia GP V Limited. BPEA EQT Holdings AB (which is 100% controlled by EQT AB) and EQT AB, as the intended new shareholders of Baring Private Equity Asia GP V Limited, are deemed to be interested in the Shares held by Baring Investor, subject to the satisfaction of the conditions contained in the agreement.

Each of The Baring Asia Private Equity Fund V, L.P., Baring Private Equity Asia GP V, L.P., Baring Private Equity Asia GP V Limited, EQT Holdings AB, EQT AB and Jean Eric Salata is therefore deemed to be interested in the Shares held by Baring Investor under the SFO.

- + The percentage represents the number of ordinary Shares/underlying Shares interested divided by the number of the Company's issued Shares as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other person (other than a Director or a chief executive of the Company) who had an interest or short position in the Shares or underlying shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

### **3. DIRECTORS' SERVICE CONTRACTS**

As at the Latest Practicable Date, there is no existing or proposed service contract between any of the Directors and any member of the Group other than service contracts that are expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation).

### **4. INTERESTS IN CONTRACT OR ARRANGEMENT**

None of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group which was subsisting as at the Latest Practicable Date and which was significant in relation to the business of the Group.

**5. INTERESTS IN ASSETS**

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been, since December 31, 2021, the date to which the latest published audited financial statements of the Group were made up, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

**6. COMPETING INTERESTS**

As at the Latest Practicable Date, none of the Directors or the controlling shareholders of the Company or their respective close associates (as defined in the Listing Rules) had any interests in businesses which compete or may compete with the business of the Group.

**7. LITIGATION**

As at the Latest Practicable Date, none of the members of the Group were engaged in any litigation or claims of material importance and no litigation or claims of material importance were known to the Directors to be pending or threatened against any member of the Group.

**8. MATERIAL CONTRACT**

The following material contract (not being contracts in the ordinary course of business) was entered into by members of the Group within the two years preceding the date of this circular and up to the Latest Practicable Date and is or may be material:

- (i) the Equity Transfer Agreement.

**9. GENERAL**

- (a) The registered office of the Company is situated at 4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands. The head office of the Company is located at 20/F, Building 1, Donghang Binjiang Center, No. 277 Longlan Road, Xuhui District, Shanghai, the PRC, and the principal place of business of the Company in Hong Kong is located at Unit 2413A, 24/F, Tower One, Lippo Centre, 89 Queensway, Admiralty, Hong Kong.
- (b) The branch share registrar of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

- (c) The company secretary of the Company is Mr. Chen Kun, a practicing solicitor in Hong Kong.
- (d) The English text of this circular and the accompanying proxy form shall prevail over the Chinese text in the case of any inconsistency.

#### **10. DOCUMENTS AVAILABLE ON DISPLAY**

Copies of the material contract referred to under the paragraph headed “8. Material Contract” above in this appendix will be published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.rich-healthcare.com](http://www.rich-healthcare.com)) for a period of 14 days from the date of this Circular.

The following documents will also be available on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.rich-healthcare.com](http://www.rich-healthcare.com)):

- (a) the interim report of the Company for the six months ended June 30, 2022;
- (b) the annual report of the Company for the year ended December 31, 2021;
- (c) the annual report of the Company for the year ended December 31, 2020;
- (d) the annual report of the Company for the year ended December 31, 2019;
- (e) the prospectus of the Company dated September 26, 2016; and
- (f) this circular.